

Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 AID-05

FRB-03 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

LAB-04 SIL-01 OMB-01 L-03 H-01 /059 W

-----032863 082011Z /63

R 081400Z AUG 77

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 5043

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PASS COMMERCE, TREASURY EXIMBANK

E.O. 11652: N/A

TAGS: EINV EAIR CG

SUBJECT: PAN AM-INTER-CONTINENTAL CURRENCY ARRANGEMENT

REF: A) 76 KINSHASA 4047, B) 76 KINSHASA 10660

1. REF A REPORTED THAT PAN AM HAD OBTAINED FROM GOZ REGULAR SCHEDULE TO PERMIT CONVERSION AND REPATRIATION OF ARREARAGES UNDER ITS SERVICE CONTRACT WITH AIR ZAIRE AND \$1.5 MILLION FROM TICKET SALES. REF B REPORTED LIQUIDATION OF ALL ARREARAGES UNDER SERVICE CONTRACT. LAST PAYMENT UNDER AGREED UPON SCHEDULE TO CONVERT AND REMIT \$1.5 MILLION FROM SURPLUS TICKET SALWA WAS MADE IN MAY 1977.

2. PAN AM HAS NOW OBTAINED NEW AGREEMENT FROM CENTRAL BANK GOVERNOR SAMBWA WHEREBY IT MAY CONVERT AND REMIT \$100,000 MONTHLY FROM LOCAL CURRENCY TICKET SALES. COMMENT: LOCAL PAN AM MANAGER TOLD US THAT \$100,000 WAS APPROXIMATELY EQUAL TO MONTHLY SURPLUS RESULTING FROM LOCAL CURRENCY SALES.

REGIONAL PAN AM FINANCIAL DIRECTOR INDICATED THAT IT WAS SOMEWHAT LESS THAN MONTHLY SURPLUS. IN ANY EVENT, THEY BOTH AGREED

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THAT ACCUMULATION OF LOCAL CURRENCY COULD BE CONTROLLED BY RESTRICTING PORTION OF TICKET SALES PAYABLE IN LOCAL CURRENCY.

AT PRESENT PAN AM PERMITS HIGHER PERCENTAGE OF TICKET SALES WHICH MAY BE MADE IN LOCAL CURRENCY THAN ANY OTHER INTERNATIONAL AIRLINE TRANSITING KINSHASA. THIS GIVES PAN AM DEFINITE COMPETITIVE ADVANTAGE AS MOST KINSHASA RESIDENTS WISH TO PAY MAXIMUM AMOUNT OF TICKET SALES IN LOCAL CURRENCY.

EMBASSY AND PAN AM BOTH BELIEVE THAT PAN AM IS ONLY INTERNATIONAL AIRLINE TO WHICH GOZ HAS GIVEN REMITTANCE SCHEDULE FOR SURPLUS TICKET SALES.

3. PAN AM HAS ALSO OBTAINED FROM GOVERNOR SAMBWA PERMISSION TO CONVERT AND REMIT \$130,000 MONTHLY FOR ITS INTER-CONTINENTAL HOTEL SUBSIDIARY. FIRST REMITTANCE UNDER THIS AGREEMENT WAS MADE JULY 15, 1977.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Control Number: n/a
Copy: SINGLE
Sent Date: 08-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
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